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FISCAL IMPACT REPORT

SPONSOR Compos DATE TYPED 1/21/04 HB 36
 SHORT TITLE Debt of Fort Sumner Irrigation District SB _____
 ANALYST Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$1,200.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 14

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the State Engineer

SUMMARY

Synopsis of Bill

House Bill 36 appropriates \$1.2 million from the general fund for the purpose of paying the outstanding debt of the Fort Sumner Irrigation District to the Federal Bureau of Reclamation.

Significant Issues

According to the Office of the State Engineer, “an act of Congress would be still be required to transfer title of the Fort Sumner Irrigation District irrigation facilities from Reclamation to the District in order to end the Federal nexus. The unstated performance implication of this bill is that the federal nexus that currently exists because the Bureau of Reclamation holds title to project facilities will be removed or reduced by payment of the outstanding debt. Because the act of Congress is required to transfer the title and because such Congressional transfers have historically occurred slowly, the federal nexus threat will likely exist sometime into the future.”

FISCAL IMPLICATIONS

The appropriation of \$1.2 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

According to the Office of the State Engineer, “this effort would require technical and legal staff support from the Interstate Stream Commission. Given the workload of Pecos River basin staff, a term staff support position would be needed to effectively and efficiently implement the transactions called for in the bill.”

SJM/lg